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UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration

August 1950

P R E S S D I G E S T

A Sample of Newspaper Stories and Comment Regarding the
Rural Electrification and Rural Telephone Programs

ELECTRIFICATION

REA APPROVES \$1,130,000
FOR TVA HERE

Tate County Democrat
Senatobia, Mississippi, June 29, 1950

The North Central Mississippi Electric Power Association has received approval of an REA loan for \$1,130,000. With this loan the association plans to build 637 miles of electric line which will serve 2,385 new rural consumers in DeSoto, Marshall and Tate counties. The next step, the association president says, is to secure a manager, and to purchase a site for office and warehouses. TVA authorities say they will be able to supply power to the North Central Mississippi area by 1952 at which time the association officers expect to be ready for current.

14 NORTHEAST REA ELECTRIC
COOPERATIVES STUDYING
POWER MARKET

Electrical World
June 26, 1950

The 14 member co-ops of the Northeast Electric Cooperative Association are conducting local surveys in a search for power from possible REA-financed steam plants. Progress of the surveys, covering industries and municipalities in New England and upstate New York, were reported at a meeting of Northeast Power Committee, June 19, at Brattleboro, Vermont. The Northeast Electric Cooperative Association meanwhile is looking for an engineer to prepare plans for a loan application to REA for funds for steam generating facilities.

NOLIN MANAGER ANSWERS
QUESTIONS FROM THE FLOOR

Kentucky Electric Co-op News
Louisville, Kentucky, July 1950

"Public information is one of the pillars on which Democracy rests," is the belief of James A. Lyons, manager of the Nolin Rural Electric Corporation, Elizabethtown, Kentucky. For his annual meeting speech, he took as his text the three questions most frequently put to him by members - and answered them effectively. They are: When are rates going to be reduced? What happens to the \$10,500 which this co-op receives from its members each month? Why does this co-op have to keep borrowing money?

POWER COMPANIES USE POLL TO
GET CO-OP INFORMATION

Rural Electrification Magazine
Washington, D. C., July 1950

From Mississippi, Minnesota, Ohio, Texas and Louisiana came reports last month that co-op managers and members are being polled for opinions and personal data by a survey organization hired by the power companies. The pollsters are principally interested in REA generation and transmission loans. "Particularly disturbing to rural electric leaders is the political query "inasmuch as REA has always been acclaimed in Congress and by the public as being outstanding for avoiding partisanship in electrifying rural America."

UTILITIES ASK FOR FREEDOM TO
DEVELOP POWER

St. Louis Post-Dispatch
St. Louis, Missouri, June 5, 1950

Atlantic City. Private power leaders at the Edison Electric Institute, 18th Annual Convention, asked for freedom from "government interference" in national power development. They submitted a program under which they said they could develop the country's natural resources, provide the nation with adequate power, lower government costs and at the same time add \$75 million annually in taxes to federal, state and municipal coffers. This program was described to the 3,000 utility representatives as a plan that would "end moves for socialization of power."

NEW ENGLAND POWER LAGS,
SAYS TRUMAN

UP Dispatch from Washington in the
New York Times, July 28, 1950

President Truman said at his July 27 press conference that New England was the only part of the country not making an effort to increase electric power production. Utility spokesmen for that area characterized this statement later as "just straight politics." They cited a 46 percent increase in power output in that region since V-J day with private capital and added that enough money had been earmarked for spending by 1952 to increase the output another 40 percent.

UNION BLAST AT REA

General Bulletin, Colorado State
Assn. of REA Co-ops, Sterling,
Colorado, July 15, 1950

At the Denver hearing of the President's Water Resources Policy Commission, Alfred Shackelford of Tucson, Arizona, representative of the IBEW, attacked the REA movement. In part, he said that REA is duplicating existing transmission facilities of privately-owned companies in a manner which will eventually lead to their extermination. "In pursuing the above policy the REA has lowered the quality of work standards, and ignored the rights of electrical workers to bargain collectively...", he asserted.

A STRANGE RESOLUTION

IRECA News

Des Moines, Iowa, June 1950

The 400 delegates to the recent Utility Workers Union of America (CIO) convention in New York adopted a resolution condemning "government encroachment in the legitimate field of privately-owned electric utilities." Farmer-owned, REA-financed power plants were not specifically mentioned among the government plants which the CIO group feared would lead to Socialism. But, private utilities include the REA power plants when they "bawl" out the Socialistic trend.

ACTION PROMISED BY UNION
LEADERS TO BACK ANTI-FEDERAL
POWER STAND

Electrical World
June 26, 1950

Now that both major unions of electric utility employees are on record against further federal power expansion, how will they implement this policy? IBEW pointed out that its locals with international union backing were fighting federal power programs in the Missouri Valley, Arkansas and South Carolina. In this latter state, IBEW workers backed the South Carolina Electric & Gas Company in its fight against REA. Referring to the rumored "deal" between private utilities and the electric utility unions, one union official remarked, "The fact of the matter is that the unions generally lose all, or most, of their bargaining rights when the government--city, state or federal--takes over a power system."

PUBLIC POWER

Qualified Contractor
June 1950

Address by H. L. Scott, Chairman, NECA Business Promotion Committee, May 17, 1950, at Butte, Montana, before the Northwest Electric Light & Power Association. "We of the electrical contracting industry recognize creeping socialism as the Number One long-term threat to our economic system." Happily, we now have an ally in our battle against this enemy. The IBEW (500,000) is also opposing the extension of federal government into the private power field. Originally the IBEW helped write the REA Act but today they are disillusioned, not by the Act, but by the distorted meaning given it by the administrators. During the economic depression 20 years ago when TVA was a dream and later when REA was being formed, the electrical contractors were inclined to go along. However, as time went on, federal regulations became rampant and it appeared these folks were more interested in preventing contractors from making any profit than in getting the job done. We contractors decided then it was time to throw a roadblock in front of this advancing socialism which is riding in on a false promise of "benefit" and "security".

TELEPHONES

TELEPHONE MEETING
IN GLADSTONE

The Delta Reporter, Gladstone Michigan
June 19, 1950

The Rural Communications Cooperative announces meeting on June 23, to explain the policies and plans of the telephone cooperative. It is an open meeting. Anyone now without telephone service who is interested in procuring it is invited to attend.

DESTRUCTION OF IOWA FALLS
PHONE CO-OP OFFERS LESSON
FOR OTHER RURAL DWELLERS

Article by Carl Hamilton in
Rural Electrification Magazine
Washington, D. C., July 1950

What's happened since the Iowa Falls Rural Telephone Co-op loan was rescinded? Well, Bell Telephone Company took over the job and there's not much question but that farmers around Iowa Falls will end up with modern telephone service - as a result of their efforts with the cooperative. However, it is unlikely that the Iowa Falls incident marks any wholesale change in policy on the part of Bell. Bell officials say quite candidly that the company is not in a position to undertake the wholesale expansion of lines into rural areas. Neither are the Independents going to enter the rural telephone field any faster. So farmers who want telephone service had better not get the feeling that the dam has broken and that rural lines will automatically sweep down all country roads. They won't.

BETTER RURAL
TELEPHONE SERVICE

Article by Clyde Zimmerman
in Capper's Farmer
August 1950

Since V-J day considerable progress has been made toward better rural telephone service. At present about 50 percent of the farms in this country are without phones and that is a handicap. A phone saves trips, summons help, solves marketing problems. Farmers have improved existing service by forming financially sound mutual companies from groups of small weak mutuals; also they have provided service in a similar manner where telephones were absent altogether. In such instances, farmers assessed members, worked on the lines themselves taking their pay in stock; the large telephone companies lent technical assistance; and banks came through with loans at fairly reasonable rates. REA received last fall \$25 million to make loans to extend and improve rural service. Only a few such loans have been made, however. REA co-ops are helping by handling loan applications of the newly formed telephone companies on request; also they are advising farmers to find out why service is lacking in their communities.

GENERAL

MANN ANSWERS
ANTI-CO-OP CHARGES

Cooperative News Service,
Chicago, Illinois, June 2, 1950

Raleigh, North Carolina - In an editorial in the FCX Patron, M. G. Mann, general manager of Farmers Cooperative Exchange, calls upon North Carolina Farmers to "take the offensive in the current co-op tax battle which is being waged by many merchants throughout the Carolinas." Referring to the local merchants' associations which sponsored anti-co-op ads, prepared by NTEA, in North Carolina newspapers, Mann points out that not all businessmen in the Carolinas are fighting the farmers. He urges individual farmers to explain to merchants that when they permit their names to be used to attack farmer cooperatives, they are attacking farmers themselves.

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